


File 98

NEW TAKU MINES LIMITED

PROGRESS REPORT 1964

TO THE SHAREHOLDERS
OF
TRANSCONTINENTAL RESOURCES LIMITED
YOUR COMPANY HOLDS 961,686 SHARES
OF NEW TAKU MINES LIMITED



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October 26th, 1964

To The Shareholders

NEW TAKU MINES LIMITED

Following the removal of restrictions on capital expenditures by bondholders the Company during the past season embarked on a new programme of exploration of its own claims and other claims which it staked in that area.

Including its original claims your Company now controls a total of 168 claims in the Tulsequah River area. The results of prospecting these claims have been encouraging.

At least two showings of major interest should be noted.

BANKER SHOWING:

This showing is situated on one of your Company's Crown Granted Claims on the east bank of the Tulsequah River within approximately four miles of the Polaris-Taku gold property and the concentrator owned by your Company.

Mineralization consists of lead-zinc sulphides with associated high silver bearing tetrahedrite occurring in flat lying stringers along fractures within a limestone breccia zone averaging 25 to 30 feet wide. Exposure along the strike was limited to approximately 200 feet due to the heavy cover of brush and overburden.

Individual sulphide stringers within the fracture

zone averaged from a few inches up to 2 feet in thickness with fair distribution across the entire zone width. Representative chip samples taken across individual sulphide bands exposed by trenching gave the following results:

<u>Width</u>	<u>Assays</u>			
	<u>Gold</u> Ozs/Ton	<u>Silver</u> Ozs./Ton	<u>Lead</u> %	<u>Zinc</u> %
1.8'	0.10	111.5	11.40	1.85
1.0'	0.38	871.6	10.45	15.43
6.0'	0.12	108.4	6.30	3.90

Shallow test hole diamond drilling below the main surface trench established continuity of the mineralized structure to a vertical depth of around 40 feet. A cross-sectional hole through the zone returned an average of 0.16 ounces Gold; 20.0 ounces Silver; 2.9% Lead and 1.8% Zinc for a core length of 15.7 feet.

Other vertical holes drilled below Number 1 trench cut flat lying bands of sulphide ranging in width from 6 inches up to 1.8 feet with assays running from 0.12 ounces Gold and 18 ounces Silver up to 0.24 ounces Gold and 108 ounces in Silver.

Preliminary investigations indicate that mineralization as exposed to date is confined to an anticlinal structure within the limestone breccia zone plunging at a flat angle to the Southeast. A programme of bulldozer stripping and

deeper diamond drilling is planned for next season to fully explore the possibilities of the showing.

ZOHINI CREEK SHOWINGS:

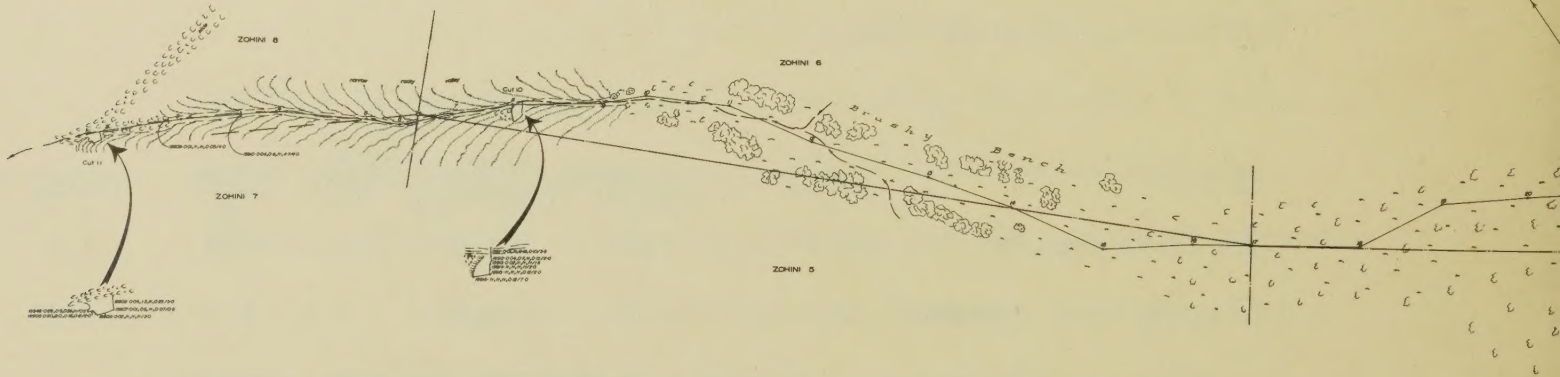
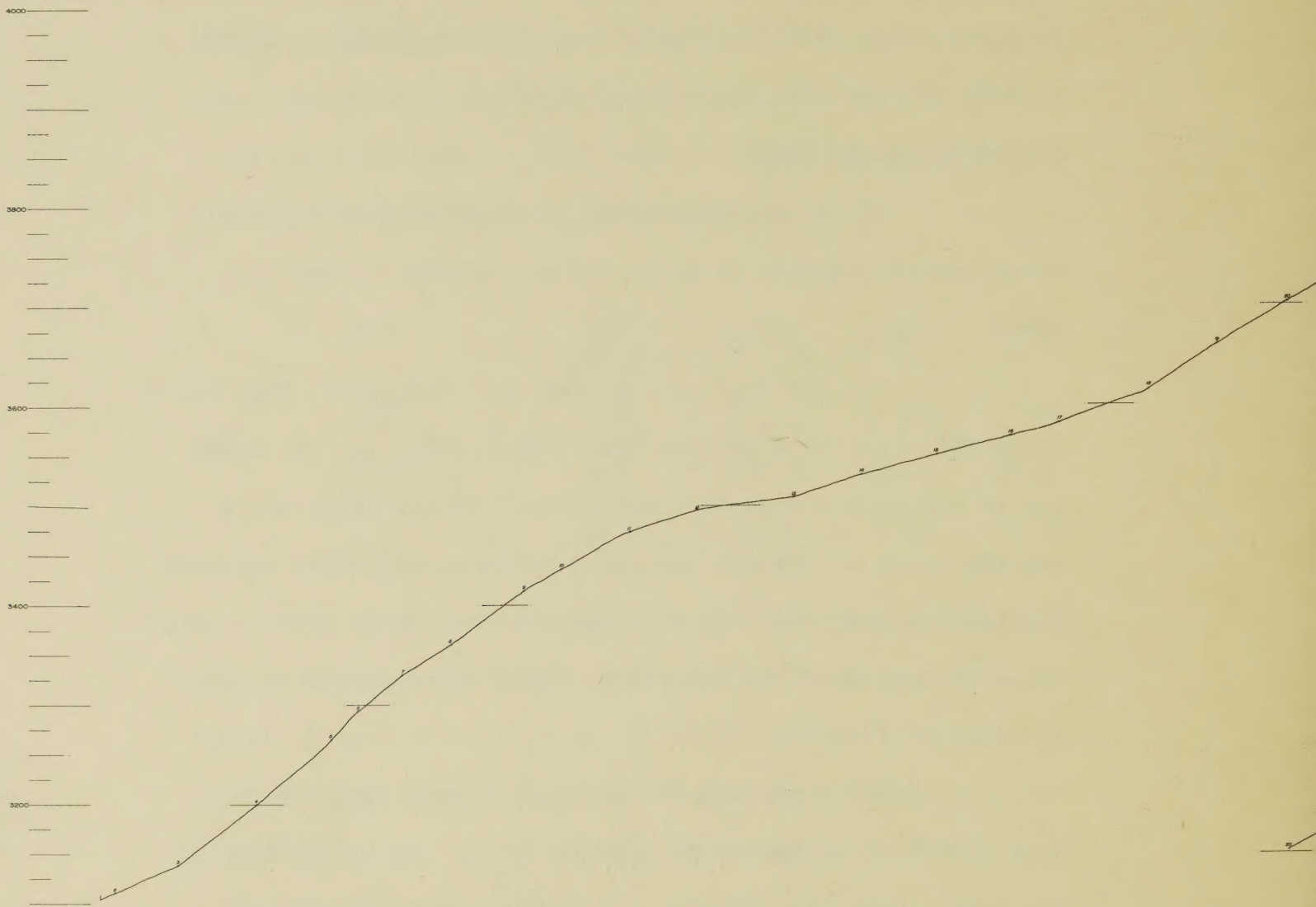
60 claims were staked to cover extensive shear zones carrying values in gold, silver, antimony, lead and zinc.

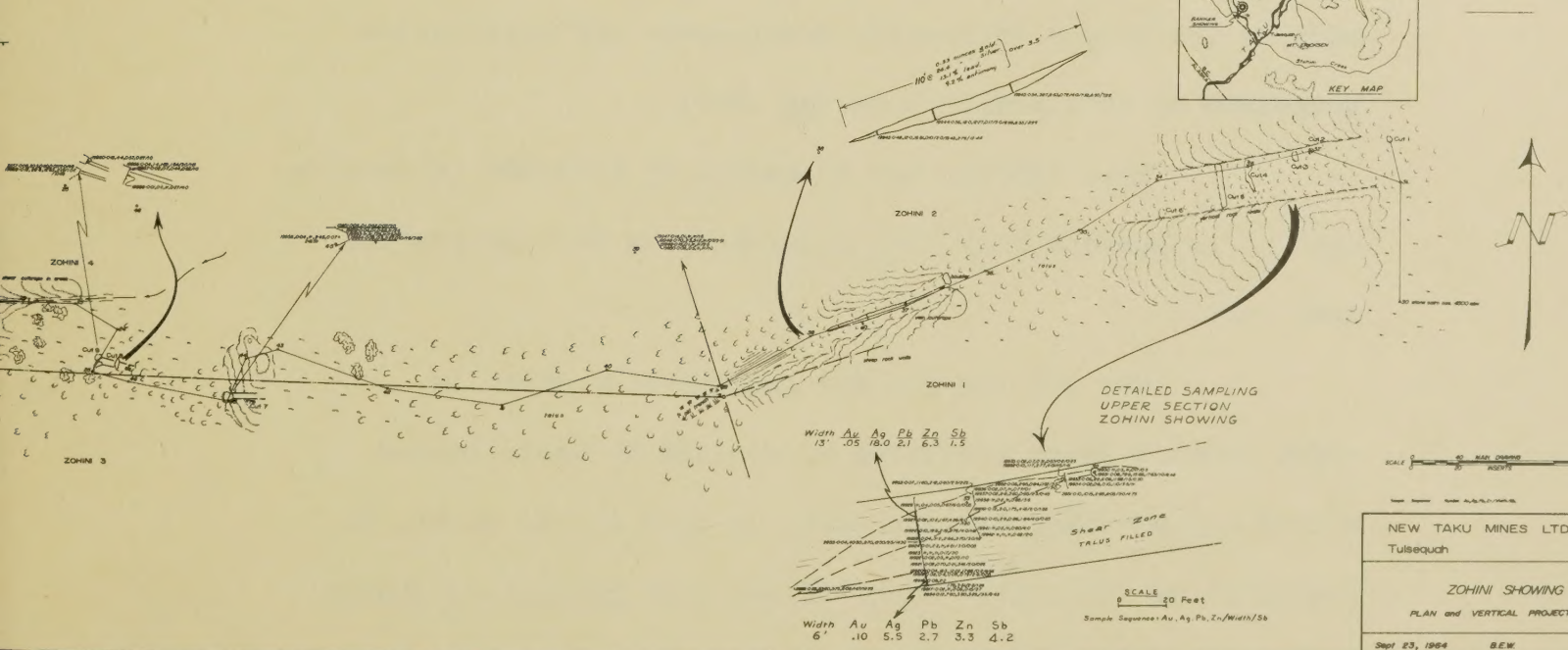
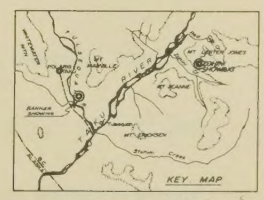
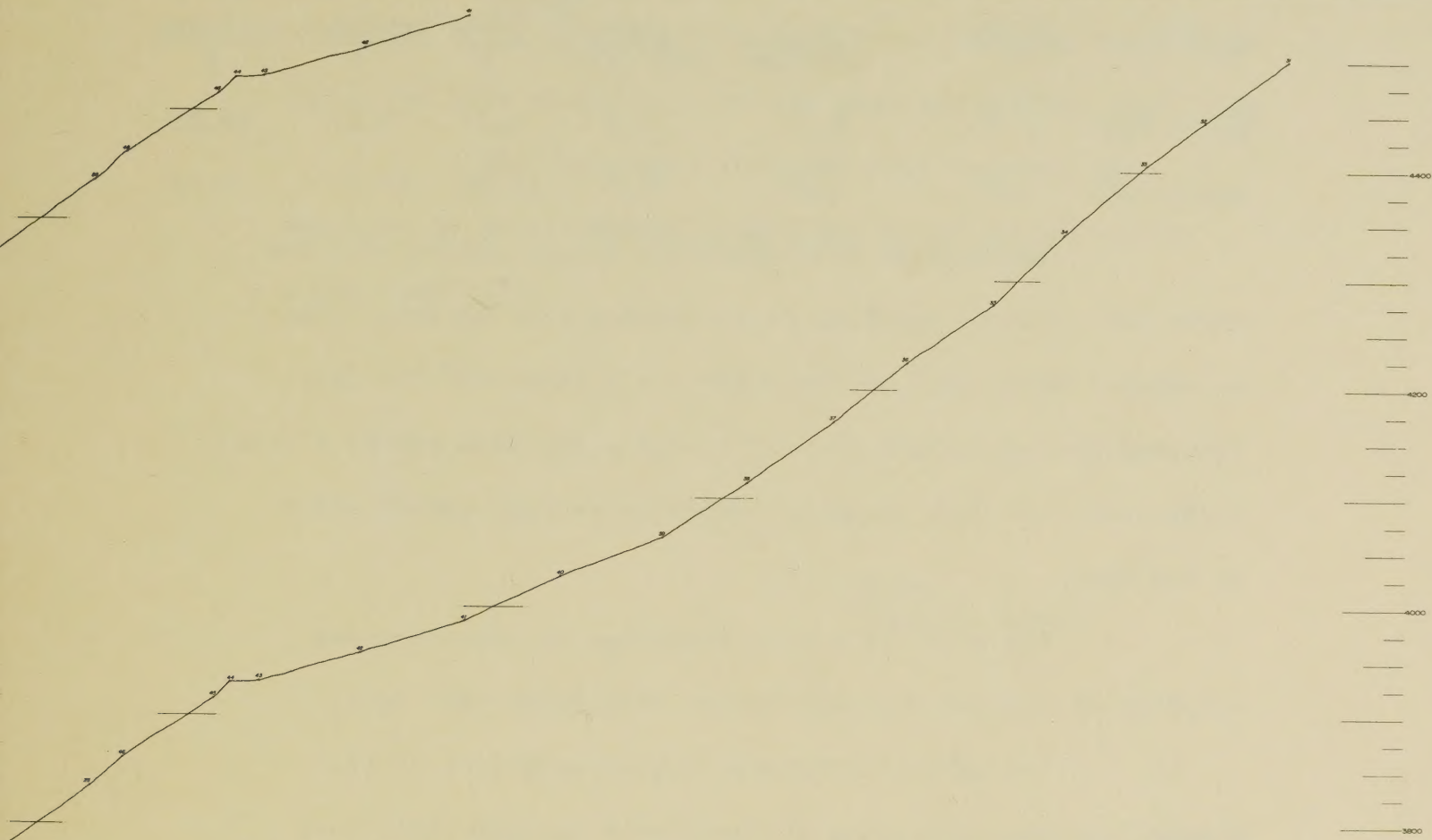
The showings are located at a relatively high level (from 2900 feet to 4500 feet above sea level). At the upper end of the zone 6 cuts were excavated in heavy talus which exposed bands of massive lead-zinc-antimony sulphides carrying fair silver and gold values within the shear zone which averaged about 35 feet in width between well defined walls for a slope distance of 300 feet.

Two main mineralized sections were exposed in a deep trench excavated in loose talus across the full width of the shear. Weighted average of channel sampling gave the following assay results:

<u>Sample</u>	<u>Width</u>	<u>Assays</u>				
		<u>Gold</u> Ozs/Ton	<u>Silver</u> Ozs./Ton	<u>Lead</u> %	<u>Zinc</u> %	<u>Antimony</u> %
Footwall Section	13.0'	0.05	18.0	2.1	6.3	1.5
Hanging Wall Section	6.0'	0.10	5.5	2.7	3.3	4.2

Narrow bands of massive sulphides exposed along the walls of the shear returned values as listed below:





<u>Sample</u>	<u>Width</u>	<u>Assays</u>			<u>Zinc</u> %	<u>Antimony</u> %
		<u>Gold</u> Ozs./Ton	<u>Silver</u> Ozs./Ton	<u>Lead</u> %		
North Wall	1.7'	0.28	83.6	5.75	6.08	16.25
South Wall	1.0'	0.08	79.9	15.66	17.63	6.45

Two hundred feet downslope and on strike with the above zone channel sampling of continuous vein material along an exposed North wall of the shear for a length of 110 feet returned average assays of 0.53 ounces gold; 24.4 ounces silver; 13.1% lead; and 9.2% antimony across an average sample width of 3.5 feet.

The zone was traced downslope by trenching and sampling of exposed outcrops for an additional 1200 feet.

The strong structural characteristics of the mineralized zone occurring in favourable volcanic type host rocks place considerable merit on the find. Plans are being made to initiate a full-scale development and exploration programme on this property during 1965.

Your Company has in excess of \$200,000 in working capital to proceed with work programmes on both properties next year.

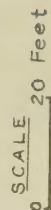
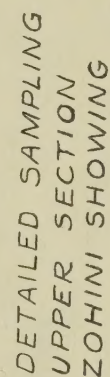
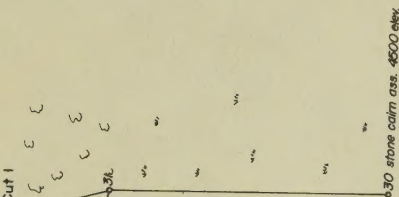
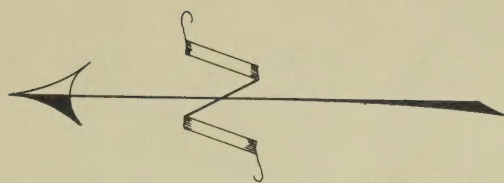
Our 500-ton per day concentrator which is under dormant lease and being maintained by Consolidated Mining and Smelting Company will, we have little doubt, be available on reasonable terms if and when production should be justified in these new areas.

It appears that C.M. & S. does not yet consider it

advisable to re-open its Tulsequah Chief property which supplied the bulk of the ore for the previous milling operation.

The optimism with which this area has been regarded by some informed people may be in the process of being justified.

L. G. White
Vice-President



Sample Sequence: Au, Ag, Pb, Zn/Width/Sb

width	Au	Ag	Pb	Zn	Sb
6'	.10	5.5	2.7	3.3	4.2

